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Exhibit R-2, RDT&E Budget Item Justification									DATE: February 2000	
APPROPRIATION/BUDGET ACTIVITY RDT&E, Defense-Wide/05					R-1 ITEM NOMENCLATURE Electronic Commerce (EC)/P.E. 0305840K					
COST (in millions)		FY99	FY00	FY01	FY02	FY03	FY04	FY05	Cost to Complete	Total Cost
Electronic Commerce/EC01		0	0	28.094*	25.781	22.232	18.855	16.167	Contg	Contg

A. Mission Description & Budget Item Justification: In November 1997, the Deputy Secretary of Defense (DEPSECDEF) published the Defense Reform Initiative (DRI) which identified the need to promulgate electronic business operations throughout the DOD. To foster the increased application of Electronic Business/Electronic Commerce (EB/EC) across the Department, the Defense Reform Initiative Directive (DRID) #43 was issued to establish the overall direction to the DOD Joint Electronic Commerce Program (JECP) initiative as well as formally establish the Joint Electronic Commerce Program Office (JECPO). Furthermore, the DOD Chief Information Officer (CIO) has developed a cohesive set of guiding principles, goals, objectives, and strategies, to promote EB/EC as a complementary business process throughout the functional areas of the Department. They set forth the summary level direction the Department must take to implement EB/EC in support of its global mission. Since May 1998, JECPO has focused its efforts on EB/EC tools and applications that exhibit joint interoperability and support cross-functional business processes that have been re-engineered to exploit EC technologies. Current programs have been categorized into the work areas of applications and engineering infrastructure. This program element is under Budget Activity 5 because it involves the development of major upgrades that increase the performance of existing systems.

* This project is not a new start nor does it reflect unexpected program growth. Beginning in FY 2001, funding has been realigned from the O&M to the RDT&E appropriation due to Congressional (HAC) direction and subsequent Departmental guidance regarding Information Technology budgeting.

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Electronic Commerce/EC01		0	0	28.094	25.781	22.232	18.855	16.167	Contg	Contg
FY 2001 Plans:										
APPLICATIONS DEVELOPMENT & MODERNIZATION										
<p>Central Contractor Registration (CCR) - The developed CCR registry contains procurement, financial, and past performance information for all industry trading partners. Further enhancements to the system will streamline the payment and procurement process by upgrading the interface capability of existing and future automated systems. It is a web-based system that is the primary repository for vendor data required for conducting business with the DoD. The CCR database currently consists of procurement and financial information as well as trading partner data required to do business electronically with the government. The purposes of the database are to allow the DOD to more efficiently comply with the Debt Collection Improvement Act of 1996; to simplify and streamline procurement by reducing duplicate requirements and processes; and to increase visibility of vendor sources for specific goods and services. Contractors are only required to register in the database one time with annual renewals (1st Qtr - 4th Qtr; \$2.724M).</p> <p>DoD Business Opportunities (DoDBusOpps) - DoDBusOpps is a development of a single search mechanism for vendor use in the review of DoD on-line solicitations. This mechanism is achieved by linking web-based systems together. Each of the Defense Services/Agencies provides links through their own web-based systems and to DoD Business Opportunities (1st Qtr - 4th Qtr; 2.230M).</p> <p>Electronic Document Access (EDA) - EDA expands the use of Internet Technology by providing shared access to contract (and other) documents used by multiple DoD agencies, resulting in a mechanism to electronically store and retrieve large volumes of information across existing communication networks. The system provides on-line storage and retrieval of post award contracts, contract modifications, personal property and freight Government Bills of Lading (GBLs) and vouchers. Documents are stored in a compressed test format. EDA capitalizes on commercial tools that are widely used today. EDA will increase its customer base from Defense Finance and Accounting Service (DFAS) recipients of contracts to include Industry and will pioneer the use of Public Key Infrastructure (PKI) for information assurance. Benefits include the reduction of unmatched disbursements, paper consumption, and increased convenience to members of the user community (1st Qtr - 4th Qtr; \$3.925M).</p>										
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<p>DoD Electronic Mall (E-Mall) - The E-Mall provides electronic buying capabilities leveraging the work done for commodities by the Defense Logistics Agency (DLA). The E-Mall is an on line system that can search, locate, compare and order material based upon quality, price, and availability. It provides a single point of entry and search capability for all Internet based DoD electronic catalogs. This enables customers to buy both products and services. The E-Mall is being constructed with a commodities corridor, an information technology corridor, and a services/construction corridor. The Military Services and Defense Agencies are fielding "stores" within these corridors. Users can search across the E-Mall system and order from the following sources: DLA Inventory Control Point managed commodity items and Defense Reutilization and Marketing Office reutilization items; Defense Supply Center Philadelphia's electronic catalog for clothing and textiles items; DLA's electronic catalog of commercial part numbered items; Navy's Direct electronic catalog of IT hardware and software items, Army and Inventory Control Point (ICP) long term contracts for photographic and lighting supplies, food services, and other mechanical items. In addition to providing one-stop visibility for ordering from all DoD electronic catalogs, the E-Mall will provide one-stop visibility of the status of orders. The E-Mall provides the benefits of reduced logistics response time and improved visibility of both government and commercial sources of supply, as well as facilitating the use of the Government purchase card (1st Qtr - 4th Qtr; \$2.988M).</p> <p>Wide Area Workflow (WAWF) - WAWF establishes an electronic folder for the capture of relevant contract data to include DD Form 250 (Receipt and Acceptance) documentation and supporting disbursements transacted. It is a web-based system designed to eliminate paper from several of the processes in the lifecycle. Initial implementation addressed receipt/acceptance(RA) and invoice/payment. Capabilities will be added to address procurement request(PR)and functional descriptions(FD) and Contract Closeout processes. The WAWF-RA prototype provides capabilities for vendors to submit invoices and DD Form 250 receipt/acceptance documents using interactive web-based forms or file transfer protocol (FTP) data directly from their internal accounting systems. Government inspection/acceptance capabilities are provided via the web and all documents are accessible to authorized users in a virtual contract payment folder. During functional proof of concept, WAWF is prototyping several commercial tool sets to assess capabilities for supporting functional and technical requirements. Benefits include support for expeditious processing of invoices/receipts and reduction of unmatched disbursements by making all documentation required for payment easily accessible (1st Qtr - 4th Qtr; \$3.213M).</p>										

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<p>Paperless Contracting - Past Performance Automated Information System (PPAIS) Enhancements expand the tools for sharing and managing past performance information across DOD, to include enhancement identified by the End to End Process Modeling, the evolving EC Architecture, interface improvements with related systems, and user defined changes. This includes developing interfaces with commercial systems using evolving standards. Requirements for these tolls are set forth in the "To Be" End to End Procurement Process Model and in various policy memos. Product Data Markup Language (PDML) is an eXtensible Markup Language (XML) for the exchange of product data among COTS Product Data Management (PDM) systems and between PDM systems and government legacy product data repositories. Its goal is to provide a standard language basis for universal access to product data describing defense material in a mixed government-contractor repository environment (1st Qtr - 4th Qtr; \$4.710M).</p> <p>To-Be Process Implementation - In an effort to move toward the future shared data environment envisioned under paperless contracting, the DEPSECDEF issued DRID #47 - End-to-End Procurement Process. DRID #47 established a DoD-wide Working Integrated Process Team (WIPT) to develop and document the future End-to-End Procurement Process. The WIPT leveraged the As-Is contracting business process model, as well as the results from the DRID #32, Paperless Contracting Closeout and DRID #33, Paperless DD Form 250, Material Inspection and Receiving Report teams to build a To-Be End-to-End Procurement Process Model, including process dependencies and information requirements and responsibilities. The To-Be Model includes an end-to-end process flow model and a series of end-to-end systems maps representing DOD procurement in the future shared data environment (1st Qtr - 4th Qtr; \$1.117M).</p> <p>Enterprise Configuration Management (ECM) - The primary purpose of this initiative is to provide configuration management support for the planning, development and successful implementation of ECM. The pilot project will implement enterprise configuration management among six existing projects: ECPN, CCR, E-Mall, EDA, BusOpps and WAWF by establishing the ECM baseline, installing an ECM system, and developing interoperability among the current project systems (1st Qtr - 4th Qtr; \$0.232M).</p> <p>ENGINEERING INFRASTRUCTURE</p> <p>Electronic Commerce System Engineering - Facilitate the implementation of EB/EC best business practices and technology to achieve a paperless environment in DoD. In order to achieve this mission, DoD EC Architecture is required which provides a roadmap for the future of DoD EB/EC. Development and continuous evolution of this enterprise architecture will require a significant commitment of resources as well as buy-in across the DoD EB/EC community. This development of the enterprise architecture effort includes:</p>										
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<p>(1) working with the functional community representatives to develop methods to establish the operational view of the architecture, (2) evaluation and recommendation of the appropriate architecture tools and methods to ensure the development process is both sound and traceable to functional requirements, and (3) execution of a lead role in the development of the DoD Architecture's system view (1st Qtr - 4th Qtr; \$1.527M).</p> <p>EC Integration Services - Integration among application and infrastructure leading to a common business environment is the ultimate goal of EC. The technical infrastructure among the capabilities that will be addressed is a single log-on using Public Key Infrastructure (PKI). Shared Data is another integration option. DoD is taking major strides towards its goal of migrating paper-based military and business affairs to an electronic enterprise. A digital certificate-based PKI can provide the mechanisms required to secure and protect electronic business information. PKI supports the use of information assurance services needed to protect the transmission of electronic data by enabling the use of data cryptography and electronic digital signature (1st Qtr - 4th Qtr; \$2.977M).</p> <p>The information assurance services provided include:</p> <p>Data Integrity - Protect data from unauthorized modification Data Confidentiality - Protect data from unauthorized disclosure User Identification and Authentication - Verification that entities are who they claim Access Control - Protect against unauthorized access Wide Area Workflow Prototype - A means of user authentication and to digitally sign the receipt documents</p> <p>Infrastructure Testing - The JECPO Electronic Commerce Infrastructure consists of multiple systems, developed for multiple Defense Information Systems Agency (DISA) organizations, by multiple vendors. These individual systems are integrated into the Electronic Commerce Infrastructure. This testing by the Joint Interoperability Test Command (JITC), supports the Electronic Commerce Processing Node, Electronic Document Access, Central Contractor Registration, Electronic Commerce Interoperability Process testing for the Value Added Network, DoD/Federal Gateway, Automated Information Systems, and Trading Partner (TP) EC readiness (1st Qtr - 4th Qtr; \$1.924M).</p>										

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EC Infrastructure Test & Development - The primary purpose for this initiative is for the DISA Continuity of Operations and Test Facility (DCTF) to provide a managed test and development environment to support JECPO, JITC, application developers and the DISA WESTHEM Regional Support Activities for prototype and operational testing prior to fielding solutions. (1 st Qtr - 4th Qtr; \$0.527M). Total \$28.094M																																					
B. <u>Program Change Summary:</u> <table style="width: 100%; border: none;"> <tr> <td></td> <td style="text-align: center;"><u>FY99</u></td> <td style="text-align: center;"><u>FY00</u></td> <td style="text-align: center;"><u>FY01</u></td> </tr> <tr> <td>Previous President's Budget (FY2000)</td> <td></td> <td></td> <td style="text-align: center;">0</td> </tr> <tr> <td>Appropriated Value</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adjustments to Appropriated Value</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adjustments to Budget Year since FY2000 Presidents Budget</td> <td></td> <td></td> <td style="text-align: center;">28.094</td> </tr> <tr> <td>Current Budget Submit/President's Budget (FY2001)</td> <td style="text-align: center;">*</td> <td style="text-align: center;">*</td> <td style="text-align: center;">28.094</td> </tr> </table> <p>Change Summary Explanation: *FY2001 initialization is due to Congressional direction converting O&M to RDT&E appropriation.</p>												<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	Previous President's Budget (FY2000)			0	Appropriated Value				Adjustments to Appropriated Value				Adjustments to Budget Year since FY2000 Presidents Budget			28.094	Current Budget Submit/President's Budget (FY2001)	*	*	28.094			
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	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>To Complete</u>																													
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D. <u>Acquisition Strategy:</u> The mission of JECPO is to accelerate the application of Electronic Business Practices and Associated Information Technologies to improve DoD acquisition processes, support life-cycle sustainment and other department business operations. JECPO is developing and maintaining Web-based applications to support the paperless contracting life cycle from requirements generation through contract closeout. These include Central Contractor Registration, Wide Area Workflow, Past Performance Automated Information System, Electronic Document Access, Email, and Business Opportunities.																																					

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JECPO is developing a DoD EC Architecture using Command, Control, Communication, Computers, Intelligence Surveillance and Reconnaissance (C4ISR) and the Technical Architecture Framework for Information Management (TAFIM) as guides. The architecture's operational, systems, and technical views are being vetted throughout the Department through the Architecture Coordination Council in the DoD CIO. JECPO is addressing EC Integration Services by using public key infrastructure to facilitate single sign on capabilities, and by data integration among JECPO applications. The projected Common Business Environment, made up of applications and infrastructure, will leverage the Defense Information Infrastructure Common Operating Environment (DII COE). This work is being performed by various private contractors and other government entities.										
E. <u>Schedule Profile:</u>										
FY2001 - 1 st Qtr: - DII COE compliant software received - Receive complete software documentation for CCR software components - Receive installation procedures - Receive WAWF user's manual - Receive software test plan and test cases - Continue development of version 1.x - Receive Defense Electronic Business eXchange (DEBX) software (DII COE segments) - Receive translator maps and documentation for systems connected to DEBX 2 nd Qtr: - Continue partnerships with Services and Agencies - Receive development and expansion of BusOpps website										
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3 rd Qtr: - Receive continued DoD-wide execution of the Corporate or Defense Logistics Management Standards (DLMS) Implementation Plan - Migration of corporate level infrastructure and services - Continue development of policy and procedures for centralized management and control of DoD logistics data										
4 th Qtr: - Development of EDA applications - Develop post deployment support - Develop templates and provide conversion support - Develop implementation plan and charter for End-to-End process model - Receive engineering guidance on the strategic direction in the evolution to the EC architecture										
FY2002 - FY2005										
1 st - 4 th Qtr - Continue corporate level configuration management support - Increase CCR functionality - Efforts to support single face initiative to all DOD vendors - Continue improvement of the acquisition automation process - Contractor integration support - Integrating the use of COTS tools - Analysis of engineering issues and oversight of their resolution - Coordinating the migration to commercial standards										
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APPROPRIATION/BUDGET ACTIVITY			PROGRAM ELEMENT				PROJECT NAME AND NUMBER				
RDT&E, Defense-Wide/05			Electronic Commerce (EC)/PE 0305840K				Electronic Commerce/EC01				
Cost Category		Contract Method & Type	Performing Activity & Location	Total PYS	FY 00 Cost	FY 00 Award Date	FY 01 Cost	FY 01 Award Date	Cost To Complete	Total Cost	Target Value of Contract
<u>Applications</u>											
Wide Area Workflow	CPFF	CACI/Falls Church, VA	0	0	N/A	2.853	10/00	Contg	Contg	2.853	
	CPFF	Stanley/Alexandria, VA		0	0	N/A	0.360	10/00	Contg	Contg	0.360
Electronic Document Access	MIPR	DAPS/Mechanicsburg, PA		0	0	N/A	1.488	10/00	Contg	Contg	1.488
	CPFF	EDS/Herndon, VA		0	0	N/A	2.437	11/00	Contg	Contg	2.437
DoD Business Opportunities	MIPR	Services/Agencies		0	0	N/A	2.230	02/01	Contg	Contg	2.230
Central Contractor Registration	CPFF	EDS/Herndon, VA	0	0	N/A	0.339	11/00	Contg	Contg	0.339	
	MIPR	DLIS/Battle Creek, MI		0	0	N/A	1.707	11/00	Contg	Contg	1.707
	CPFF	PricewaterHouse/Fairfax, VA		0	0	N/A	0.678	11/00	Contg	Contg	0.678
Enterprise Configuration Mgmt	CPFF	ARTEL/Reston, VA	0	0	N/A	0.232	02/01	Contg	Contg	0.232	
DoD Email IT Corridor	CPFF	Stanley/Alexandria, VA		0	0	N/A	0.196	04/01	Contg	Contg	0.196
DoD Email To-Be Process Implementation	TBD	TBD		0	0	N/A	2.792	02/01	Contg	Contg	2.792
	CPFF	PricewaterHouse/Fairfax, VA	0	0	N/A	1.117	04/01	Contg	Contg	1.117	
Paperless Contracting Prototype Support	CPFF	TBD		0	0	N/A	4.710	TBD	Contg	Contg	4.710
Subtotal Application						21.139					

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Cost Category	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 00 Cost	FY 00 Award Date	FY 01 Cost	FY 01 Award Date	Cost To Complete	Total Cost	Target Value of Contract
<u>Infrastructure</u>										
EC Integration Services	CPFF	EDS/Herndon, VA	0	0	N/A	2.977	12/00	Contg	Contg	2.977
EC Architecture	FFRDCC	MITRE/Vienna, VA	0	0	N/A	1.527	11/00	Contg	Contg	1.527
EC Testing	MIPR	JITC/Ft Huachuca, AZ	0	0	N/A	1.924	11/00	Contg	Contg	1.924
Operational Testing	MIPR	DCTF/Slidell, LA	0	0	N/A	0.527	12/00	Contg	Contg	0.527
Subtotal Infrastructure						6.955				
Total						28.094				

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